



## CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Public Hearing to Consider Changing the Lodi Municipal Code to Authorize the City to Collect Late Fees for Delinquent Utility Bills

**MEETING DATE:** March 4, 1992

**PREPARED BY:** Finance Director

**RECOMMENDED ACTION:** That the City Council, following a public hearing on the matter, adopt the attached Ordinance entitled "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.04--Service Generally" and consider for adoption the attached Resolution entitled "A Resolution of the Lodi City Council Setting a Late Fee for Delinquent Utility Bills" at the appropriate time.

**BACKGROUND INFORMATION:** At a Short Sleeve Session on December 10, 1991, the City Council reviewed several proposals made by staff to encourage the timely payment of the City's utility bills. One proposal made was to impose and collect a fee for late or delinquent payment of utility bills. Based on the direction given by Council on December 10, 1991, this matter has been scheduled for public hearing March 4, 1992.

**FUNDING:** None

H. D. Flynn  
Finance Director

**Attachments:**

Utility Fees and Deposits Policy  
Draft Ordinance  
Draft Resolution

**CC:** City Attorney  
Electric Utility Director  
Public Works Director

**APPROVED.**

THOMAS A. PETERSON  
City Manager



recycled paper

**RESOLUTION NO. 92-41**  
**A RESOLUTION OF THE LODI CITY COUNCIL**  
**SETTING A LATE FEE FOR DELINQUENT UTILITY BILLS**

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**WHEREAS**, it is the policy of the City Council that the enterprise activities (water, sewer, electric, solid waste) of the City be efficiently *managed* and based on sound economic principles by following prudent business practices; and

**WHEREAS**, it is the policy of the City Council to encourage customers to pay utility bills on a timely basis and to discourage delinquent utility bills; and

**WHEREAS**, it is the policy of the City Council that City staff will be sensitive to customer hardships or other unusual circumstances that preclude timely payment of utility bills.

**NOW, THEREFORE, BE IT RESOLVED** by the Lodi City Council that the following late fees for delinquent utility bills is approved and that the Director of Finance may waive these fees when in his opinion a customer has presented reasonable evidence of financial hardship or convincing information that timely payment could not have been expected:

Bill	Amount
First	utility Rate Only
Second	Utility Rate Only
Third	Utility Rate plus \$10 late charge
Final	utility Rate plus \$25 late charge

Dated: \_\_\_\_\_

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I hereby certify that Resolution No. 92-41 was passed and adopted by the City Council of the City of Lodi in a regular meeting held \_\_\_\_\_ by the following vote:

**Ayes:** Council Members -

**Noes:** Council Members -

**Absent:** Council Members -

Alice M. Reimche  
City Clerk

## CITY OF LODI - FINANCE DEPARTMENT

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### UTILITY **FEES** AND DEPOSITS POLICY

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#### **RATES, FEES, AND DEPOSITS**

The City of Lodi will provide reliable and cost effective utility services to its customers. In accomplishing this goal, utility operations will be efficiently managed and based on sound economic principles, which in part means, following prudent business practices and setting equitable service rates, fees, and deposits. As such, rates, fees, and deposits will be based on the cost of service, encourage conservation, promote timely customer payments, and will be sensitive to customer needs, capacity to pay, and the economic health of the community.

#### **INITIATION OF SERVICE AND DELINQUENCY DEPOSITS**

All applicants for utility services will establish credit by depositing in advance the amount of a monthly service charge. Such deposits will be either credited to the customer's regular bill or closing bill. following one year of satisfactory payment history or by agreeing to attend a utility conservation class (electrical, gas, water, sewer, garbage) approved by the City. After establishing good credit with the City, deposits for new or additional accounts will not be required. The Finance Director may waive the initial deposit for industrial and commercial customers to promote economic stability and commercial growth; however, a deposit will be required from those customers whose account is closed for failure to pay prior to reconnecting services.

#### **NEW SERVICE DEPOSIT**

CLASS	INSIDE CITY	OUTSIDE CITY
Residential	\$ 50	\$ 80
Mobile Home Park	1,200	1,800
Group 1	120	180
Group 2 through 5	2,200	3,300

#### **RESTORATION-RECONNECTION CHARGE**

A restoration-reconnect charge will be paid by customers prior to restoring and re-connecting City utilities for non-payment as provided below:

During normal working hours:	\$33
Weekends, holidays, and after normal work hours: •	\$48

- Also the charge to be levied for new service connections after normal work hours, on holidays and weekends.

#### **DELINQUENT CHARGES** (not to be implemented until approved by Council)

A delinquent charge of \$10 after 60 days (third bill) and \$25 after 90 days (closing or final bill) shall be applied to all past due accounts until sealed for non-payment or until no prior month charges are outstanding.

The Finance Director may waive delinquent charges in whole or part to promote goodwill with City customers when requested by a customer for reasons of hardship or timely payment could not have been reasonably expected based on personal considerations.

#### **CUSTOMER ASSISTANCE**

At the time utilities are disconnected for non-payment and reinstatement of services is requested by a customer, the Finance Director may negotiate a one-time repayment schedule for up to six months for those customers who can demonstrate their ability to pay. Normally a repayment schedule will be established when a City customer can demonstrate financial hardship due to the recent loss of employment or other unusual hardship conditions.

In all other cases the City will refer customers to appropriate assistance agencies such as 'Reach Program' offered by the Salvation Army and 'Energy Crises Intervention Program' offered by San Joaquin County Department of Ageing.

ORDINANCE NO. 1543

AN ORDINANCE OF THE LODI CITY COUNCIL  
AMENDING LODI MUNICIPAL CODE CHAPTER 13.04 -  
"SERVICE GENERALLY"

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BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Chapter 13.04 is hereby amended as follows:  
(Parts removed from the existing code are in ~~strikeout~~ and additions underlined).

**Chapter 13.04, SERVICE GENERALLY**

**Sections:**

- 13.04.010 Definitions
- 13.04.020 ~~Application for service or discontinuance~~
- 13.04.030 Bill payment and delinquency
- 13.04.040 ~~Connections~~ generally
- 13.04.050 Connection charges
- 13.04.060 Apartments and flats
- 13.04.070 Restriction or interruption
- 13.04.080 ~~Connection or reconnection~~ by plumbers
- 13.04.090 Right of access for inspection
- 13.04.100 ~~Pipe~~ and facility maintenance
- 13.04.110 ~~Service only to contracted premises~~
- 13.04.120 Bill adjustment
- 13.04.130 Low income adjustments

13.04.030 Bill payment and delinquency.

A. **Payment.** ~~All bills for the services enumerated in this chapter are due and payable upon receipt thereof, at the finance department, City Hall, Lodi, California, and become delinquent twenty days after the postmark date of the bill.~~

B. **Delinquency.** The director of finance shall send notice of delinquent bills, and if all delinquent charges for service are not paid within ten days after mailing this notice, then the director of finance may ~~discontinue all service~~ furnished to the customer by the city, the customer shall be given the opportunity to be heard as to any adjustment or cancellations of any bill. The hearing shall be held before the director of finance or his designee. In the event of a discontinuance of service, as provided in this sub-section, the director of finance may require as a condition precedent to the resumption of service that the customer pay

1. The amount of the delinquent bill;
2. The cost to the city of discontinuing and resuming service; and
3. A deposit in an amount not exceeding the estimated amount of charges for two months' service.

The finance director may waive delinquent amounts and negotiate a one-time re-payment schedule for up to six months (within any twelve month period) when in the opinion of the finance director the customer can demonstrate financial hardship due to a recent loss of employment or another hardship condition.

C. **Closing Bills.** Closing bills are due on the date on which service is discontinued. (Ord. 1333 & 1 (9)(A); prior code & 2-39)

D. **Late Charges.** Delinquent bills shall be assessed a late charge which will be set from time to time by the City Council. The late charge may be waived by the finance director when considered to be in the best interest of the City when the customer can present evidence of financial hardship or convincing information that timely payment could not have been reasonably expected.

**SECTION 2.** All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

**SECTION 3.** This ordinance shall be published one time in the "Lodi News Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect thirty days from and after its passage and approval.

Approved this      day of

JAMES W. PINKERTON, JR.  
Mayor

Attest:

ALICE M. REIMCHE  
City Clerk

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State of California  
County of San Joaquin, ss.

I, *Alice M. Reimche*, City Clerk of the City of Lodi, do hereby **Certify** that *ordinance No. 1543* was introduced at a regular meeting of the City Council of the City of Lodi held March 4, 1992 and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held \_\_\_\_\_, 1992 by the following vote:

Ayes: Council Members -  
Noes: Council Members -  
Absent: Council Members -  
Abstain: Council Members -

I further certify that Ordinance No. 1543 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

ALICE M. REIMCHE  
City Clerk

Approved as to Form

BOBBY W. McNATT  
City Attorney

RESOLUTION NO. 92-41

A RESOLUTION OF THE LODI CITY COUNCIL  
SETTING A LATE FEE FOR DELINQUENT UTILITY BILLS

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WHEREAS, it is the policy of the City Council that the enterprise activities (water, sewer, electric, and solid waste) of the City be efficiently managed and based on sound economic principles by following prudent business practices; and

WHEREAS. it is the policy of the City Council to encourage customers to pay utility bills on a timely basis and to discourage delinquent utility bills; and

WHEREAS, it is the policy of the City Council that City staff will be sensitive to customer hardships or other unusual circumstances that preclude timely payment of utility bills.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the following late fees for delinquent utility bills is approved and that the Director of Finance may waive these fees when in his opinion a customer has presented reasonable evidence of financial hardship or convincing information that timely payment could not have been expected:

Bill	Amount
First	Utility Rate Only
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Final	Utility Rate plus \$25 late charge

BE IT FURTHER RESOLVED by the Lodi City Council that this Resolution will be effective concurrent with the effective date of Ordinance No. 1543.

Dated: March 4, 1992

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I hereby certify that Resolution No. 92-41 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 4, 1992 by the following vote:

Ayes: Council Members - Hinchman. Pennino. Sieglock, Snider and Pinkerton (Mayor)

Noes: Council Members - None

Absent: Council Members - None

  
Alice M. Reimche  
City Clerk





# CITY OF LODI

CARNEGIE FORUM  
305 West Pine Street, Lodi

## NOTICE OF PUBLIC HEARING

Date: March 4, 1992

Time: 7:30 p.m.

For Information regarding this Public Hearing  
Please Contact:

**Alice M. Reimche**  
**City Clerk**  
**Telephone: 333-6702**

## NOTICE OF PUBLIC HEARING

March 4, 1992

NOTICE IS HEREBY GIVEN that on Wednesday, at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing to consider the following matter:

- a) introduction of an ordinance entitled, 'An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.04 - "Services Generally"' which ordinance would amend the Lodi Municipal Code to authorize the City to impose and collect late fees for delinquent utility bills.

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.


If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order Of the Lodi City Council:

  
**Alice M. Reimche**  
City Clerk

Dated: February 5, 1992

Approved as to form:

  
**Bobby W. McNatt**  
City Attorney